KLW HOLDINGS LIMITED
Company Registration No.199504141D

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement. The details of the contact person for the Sponsor are:

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR FINANCIAL RESULTS

1 (a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	Half year ended 30 September 2015	Half year ended 30 September 2014	Increase / (Decrease)
	$'000	$'000	%
Revenue	**25,468**	20,322	25.3
Cost of sales	**(18,092)**	(14,456)	25.2
Gross profit	**7,376**	5,866	25.7
Other operating income	**268**	118	127.1
Selling and Distribution costs	**(463)**	(729)	(36.5)
Administrative expenses	**(6,390)**	(3,741)	70.8
Profit from operations	**791**	1,514	(47.8)
Finance costs	**(660)**	(288)	129.2
(Loss)/ Profit before taxation	**131**	1,226	(89.3)
Taxation	**(398)**	-	N/M
(Loss)/Profit for the period	**(267)**	1,226	N/M
(Loss)/Profit Attributable to:			
Equity holders of the parent	**(267)**	1,226	N/M
(Loss)/Profit for the period	**(267)**	1,226	N/M

Consolidated statement of comprehensive income for the half year ended 30 September 2015.

	The Group		
	Half year ended 30 September 2015	Half year ended 30 September 2014	Increase/ (Decrease)
	$'000	$'000	%
(Loss)/profit for the period	**(267)**	1,226	N/M
Other comprehensive income:			
Foreign currency translation (loss)/gain	**(545)**	151	N/M
Total comprehensive (loss)/income for the period	**(812)**	1,377	N/M
Total comprehensive (loss)/ income attributable to:			
Equity holders of the parent	**(812)**	1,377	N/M
	(812)	1,377	N/M

(ii) The following items have been included in arriving at profit from operations:-

	The Group		
	Half year ended 30 September 2015	Half year ended 30 September 2014	Increase/ (Decrease)
	$'000	$'000	**%**
Depreciation	**411**	353	16.4
Interest expense	**660**	288	129.2
Impairment loss on trade and other receivables	**876**	-	N/M

N/M: not meaningful

1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	30 September 2015 $'000	31 March 2015 $'000	**30 September 2015 $'000**	31 March 2015 $'000
ASSETS				
Non-current assets				
Property, plant and equipment	**18,246**	19,555	**79**	122
Investment property	**25,249**	26,578	**-**	-
Available-for-sale financial assets	**3**	3	**-**	-
Other receivables, deposit and prepayment	**2,855**	2,853	**-**	-
Subsidiaries	**-**	-	**39,320**	39,320
	46,353	48,989	**39,399**	39,442
Current assets				
Inventories	**7,392**	8,602	**-**	-
Gross amount due from customers for contract work	**3,802**	3,334	**-**	-
Trade and other receivables	**6,044**	16,166	**17,850**	29,740
Cash and bank balances	**41,577**	31,247	**33,647**	22,575
	58,815	59,349	**51,497**	52,315
Total assets	**105,168**	108,338	**90,896**	91,757
EQUITY AND LIABILITIES				
EQUITY				
Share capital	**103,171**	103,171	**103,171**	103,171
Revaluation and other reserves	**5,069**	5,614	**3,287**	3,286
Accumulated losses	**(32,713)**	(32,446)	**(21,441)**	(20,926)
Total equity	**75,527**	76,339	**85,017**	85,531
Non-current liabilities				
Shares with preference rights*	**5,565**	5,565	**5,565**	5,565
Borrowings	**17,720**	18,545	**-**	-
Deferred tax liabilities	**984**	1,095	**-**	-
	24,269	25,205	**5,565**	5,565
Current liabilities				
Trade and other payables	**3,515**	4,209	**309**	651
Gross amount due to customers for contract work	**-**	251	**-**	-
Income tax payable	**937**	623	**-**	-
Borrowings	**920**	1,711	**5**	10
	5,372	6,794	**314**	661
Total equity and liabilities	**105,168**	108,338	**90,896**	91,757

*Under Non-current liabilities as at 30 September 2015, the amount of approximately $5.565 million is for the sale consideration for the Group's 30% equity interest in door division to Koperasi Permodalan Felda Malaysia Berhad. The consideration is classified as financial liability as the 30% equity interest sold is deemed as preference shares issued by the Group.

1 (b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2015		As at 31 March 2015	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
920	-	1,711	-

Amount repayable after one year

As at 30 September 2015		As at 31 March 2015	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
17,720	-	18,545	-

Details of any collateral

The obligations under finance leases are effectively secured as the rights to the leased motor vehicles of the Group to the lessor in the event of default by the Group.

The trust receipts of the Group are secured by the following:-

(a) A corporate guarantee from the Company and
(b) A negative pledge over assets from Malaysia subsidiary

The term loan of the Group are secured by the following:-

(a) Legal mortgage over the property of the Company and
(b) A personal guarantee by a director in KLW Joinery Pte Ltd. Management is currently working with the bank to change the personal guarantee to corporate guarantee. We will update any further developments accordingly.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	Half year ended 30 September 2015	Half year ended 30 September 2014
	$'000	$'000
Cash flows from operating activities		
(Loss) / Profit before tax	**131**	1,226
Adjustments for:		
Depreciation of property, plant and equipment	**411**	353
Loss on disposal of property, plant and equipment	**7**	-
Interest expense	**660**	288
Interest income	**(84)**	(7)
Impairment loss of trade and other receivables	**876**	-
Exchange difference	**156**	147
Operating cash flow before working capital change	**2,157**	2,007
Change in operating assets and liabilities		
Receivables	**(537)**	(7,321)
Inventories	**363**	(444)
Payables	**871**	(209)
Cash generated from / (used in) operations	**2,854**	(5,967)
Interest paid	**(660)**	(288)
Interest income received	**84**	7
Income tax	**-**	-
Net cash generated from / (used in) operating activities	**2,278**	(6,248)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(181)**	(4,609)
Acquisition of subsidiary	**-**	(2,181)
Other receivables-Commitment fees	**9,000**	-
Proceeds from disposal of property, plant and equipment	**-**	-
Net cash generated from / (used in) investing activities	**8,819**	(6,790)
Cash flows from financing activities		
Withdrawal of pledged deposit	**-**	21
Proceeds from borrowings	**321**	4,121
Proceeds from issuance of shares	**-**	58,805
Repayments of borrowings	**(651)**	(109)
Net cash (used in) / generated from financing activities	**(330)**	62,838
Net increase in cash and cash equivalents	**10,767**	49,800
Cash and cash equivalents at beginning of the period	**31,247**	10,803
Effects of exchange rate changes on cash and cash equivalents	**(437)**	-
Cash and cash equivalents at end of the period	**41,577**	60,603 *

* In HY2014, the cash and cash equivalents announced on 4 November 2014 was $30.6m. Due to a change in presentation format and a reclassification of structured deposits worth $30m in cash flows from investing activities to fixed deposits as stated in the table listed below. The the cash and cash equivalents as per the balance sheet, after taking into account fixed deposits of $30m will be $60,603k.

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	The Group	
	30 September 2015	30 September 2014
	$'000	$'000
Cash and bank balances	**8,455**	30,603
Fixed deposits	**33,122**	30,000 #
Cash and bank balances as per balance sheet	**41,577**	60,603
Less : Pledged fixed deposits	-	-
Cash and cash equivalents as per statement of cash flows	**41,577**	60,603

This refers to the reclassification of $30m from cash flows from investing activities to fixed deposits.

1 (d) A statement (for the issuer and group) showing either (i) all changes in equity or (ii)changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Group

	Attributable to equity holders of the Company				
The Group	Share Capital $'000	Asset Revaluation and foreign currency translation reserves $'000	Warrant reserve $'000	Accumulated (losses) / profit $'000	Total Equity $'000
Balance at 1.4.2015	**103,171**	**2,327**	**3,287**	**(32,446)**	**76,339**
Total comprehensive loss for the financial period	**-**	**(545)**	**-**	**(267)**	**(812)**
Balance at 30.9.2015	**103,171**	**1,782**	**3,287**	**(32,713)**	**75,527**
Balance at 1.4.2014	48,014	2,495	-	(26,130)	24.379
Issuance of shares	58,805	-	-	-	58,805
Total comprehensive income for the financial period	-	151	-	1,226	1,377
Balance at 30.9.2014	106,819	2,646	-	(24,904)	84,561

(ii) Company

The Company	Share capital $'000	Accumulated losses $'000	Warrant reserve $'000	Total $'000
Balance at 1.4.2015	**103,171**	**(20,927)**	**3,287**	**85,531**
Issuance of shares	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**(514)**	**-**	**(514)**
Balance at 30.9.2015	**103,171**	**(21,441)**	**3,287**	**85,017**
Balance at 1.4.2014	48,014	(20,731)	-	27,283
Issuance of shares	58,805	-	-	58,805
Total comprehensive income	-	(430)	-	(430)
Balance at 30.9.2014	106,819	(21,161)	-	85,658

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Issued and fully paid ordinary share capital

	Number of Shares '000	$ '000
Balance as at 31 March 2015 and 30 September 2015	**5,380,556**	**103,171**

The Company had on 15 November 2013 granted a call option to Prince Abdul Qawi for the subscription of up to 2,000,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.02. As at 30 September 2015, the call option has not been exercised.

As at 30 September 2015and 30 September 2014, the Company has outstanding warrants of 2,440,278,158. Each warrant entitles the warrant holder to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of $0.07 each during the exercise period which expired on 30 June 2017.

The Company did not have any treasury shares as at 30 September 2015 and 30 September 2014 respectively.

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at the end of the current financial period 30 September 2015 was 5,380,556,316. (31 Mar 2015: 5,380,556,316).

1 (d) (iv) A statement showing all sales transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

The Company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

There were no treasury shares as at 30 September 2015 and 31 March 2015.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The financial statements have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	30/09/2015	30/09/2014
Earnings / (Loss) per share	**Cents**	Cents
- basic	**(0.005)**	0.03
- diluted	**(0.005)**	0.03

The weighted average number of ordinary shares for the purposes of basic and diluted earnings / (loss) per share is 5,380,556,316 shares for the financial period ended 30 September 2015. (30 September 2014: 4,400,463,697 shares)

Basic earnings / (loss) per share is calculated by dividing the profit after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial period.

For the purposes of calculating diluted earnings / (loss) per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 30 September 2015, the Company has 2,440,278,158 outstanding warrants. As the outstanding warrants are antidilutive, the basic and diluted EPS for the financial period ended 30 September 2015 and 30 September 2014 were the same.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	30 September 2015	31 March 2015
Net asset value backing per ordinary share based on existing issued share capital as at end of period/year	**Cents**	Cents
- Group	**1.40**	1.42
- Company	**1.58**	1.59

Net asset value per share is calculated based on 5,380,556,316 shares as at 30 September 2015 and 31 March 2015.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Performance of the Group

Revenue by business activities	**30/9/2015**	**30/9/2014**	**Increase / (Decrease)**	**Increase / (Decrease)**
	$'000	$'000	$'000	**%**
Door business	**24,816**	19,059	5,757	30.2
Property leasing business	**652**	1,263	(611)	(48.4)
Total	**25,468**	20,322	5,146	25.3

For the half year ended 30 September 2015, the Group registered revenue of approximately $25.5m as compared to the half year ended 30 September 2014 of approximately $20.3m. This 25.3% increase was mainly due to contribution from door business.

The door business, being the core business of the Group achieved a 30.2% increase in revenue of approximately $24.8m for the half year ended 30 September 2015 as compared to half year ended 30 September 2014 of approximately $19.1m. This increase was mainly due to increase in export sales supported by factories in Malaysia and China.

The property leasing business registered a 48.4% decrease in revenue for 30 September 2015 as compared to 30 September 2014. This was because tenancy agreements had ended in December 2014 for the sale and lease back property at 19 Senoko Loop. The revenue generated was mainly from a seven storey building located at Melbourne's Flinders, Australia on lease to Victoria University.

Income Statement Review

Revenue

Revenue for the Group increased by approximately 25.3% for the half year ended 30 September 2015. The increase was mainly due to increase in export sales from the door business.

Cost of sales

Cost of sales for the Group increased by approximately 25.2% for the half year ended 30 September 2015. The increase was mainly due to increase in the output which is in line with the increase in sales.

Gross Profit

Gross Profit for the Group increased by approximately 25.7% for the half year ended 30 September 2015. The increase was in line with the increase in revenue and also increase in Singapore supply and installation of doors business due to commencement of projects. Gross Profit margin for the half year ended 30 September 2015 is 28.9% which is similar to the half year ended 30 September 2014.

Other operating income

Other operating income for the Group increased by approximately 127.1% for the half year ended 30 September 2015. The increase was mainly because there was greater income received from sale of saw dusts, which are waste materials generated during the door making process in China and Malaysia and interest income received from fixed deposit.

Selling & Distribution cost

Distribution cost for the Group decreased by approximately 36.5% for the half year ended 30 September 2015. The decrease was mainly due to less travelling expenses being incurred..

Administrative expenses

Administrative expenses for the Group increased by approximately 70.8% for the half year ended 30 September 2015. The increase was mainly due to increased professional fees of $193k, special audit fees incurred for holding company amounting to $350k, impairment of trade and other receivables of $876k, consultants cost incurred in one of the Australian subsidiary involved in the property development business of $316k and depreciation expenses due to the purchase of the Kaki Bukit leasehold industrial terrace unit of $57k.

Finance costs

Finance costs for the Group increased by approximately 129.2% for the half year ended 30 September 2015. The increase was mainly due to the property loan secured for Melbourne's Flinders, Australia building on lease to Victoria University and an industrial terrace unit used by the Company's subsidiary for its operation in Singapore.

Taxation

Taxation for the Group was mainly due to provision of tax payable for Malaysia subsidiary.

Loss for the period

Due to the factors mentioned above, the loss for the half year ended 30 September 2015 was approximately S$0.267m.

Group Balance Sheet Review

Non-Current assets

The decrease in non-current assets of approximately 5.4% was mainly due to the depreciation of the Property, plant and equipment.

Current assets

The decrease in current assets of approximately 0.8% was mainly attributable due to the decrease in trade and other receivables resulting from partial recovery of $9.0m commitment fees arising from the Bali and Zhangye Term Sheets, partial refund from the security deposit for the lease back property at 19 Senoko Loop and partially offset by the increase in cash and bank balances. Subsequent to the half year ended 30 September 2015, the final refund from the security deposit had been received.

The increase in the gross amount due from customers is due to the commencement of local projects such as Topiary EC and FLO residence.

The decrease in inventories of 14.11% was due to provision in obsolete stocks and partially offset by the stocks accounted for in one of the subsidiary.

Equity

The decrease in total equity of approximately 1.0% was mainly due to the increase in the accumulated losses and decrease in revaluation and other reserves.

Non-Current liabilities

The decrease in non-current liabilities of approximately 3.7% was mainly due to the repayment of term loan taken up for the purchase of Kaki Bukit leasehold industrial terrace unit.

Current liabilities

The decrease in current liabilities of approximately 20.9% was mainly due to decrease in trade and other payables due to payment to creditors and decrease in short term borrowings as lesser trade facilities utilized in the Malaysia subsidiary

The increase in income tax payable by 50.4% was due to the provision of tax accrued for the current period of profit in Malaysia.

Cash Flow Statement Review

The Group's cash flow generated from operating activities for the half year ended 30 September 2015 amounted to approximately $2.3m. The cash flow generated from operating activities is the decrease in inventories and payables and increase in receivables.

Cash flows generated from investing activities was approximately $8.8m for the half year ended 30 September 2015, mainly due to the outstanding commitments fees of $9.0 m collected from the Bali and Zhangye Term Sheets.

Cash flows used in financing activities was approximately $330k for the half year ended 30 September 2015. This mainly arose from the repayments of borrowing.

As a result of the above, the Group's net cash and cash equivalent stood at approximately $41.6m as at 30 September 2015.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or a prospect statement has been previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Door Business

The construction of the new production facility in Vietnam has been completed save for the mechanical and electrical works. We anticipate that this facility will be fully operational in the second quarter of FY2017. We are also working towards securing the Company's ownership in Key Bay Furniture Co., Ltd.

The market conditions remain challenging but we are cautiously optimistic about the outlook for the door business.

Property Business

The acquisition of the property at Lincoln Square South, Carlton, Melbourne Australia will be completed in end November 2015. Redevelopment plans have been drawn up and we are obtaining the necessary planning approval. We will then proceed with the redevelopment, construction and sales.

Given the current status of the acquisition and redevelopment for this property, we do not expect any income contribution from this acquisition for FY2016.

11 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect

No dividend has been declared or recommended for the financial period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for interested person transactions. There was no interested person transaction during the financial period.

14. Use of net proceeds

As at 30 September 2015, there is no disbursement of fund since the Use of Proceeds Announcement dated 4 June 2015.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable for Half Year Results.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable for Half Year Results.

17 A breakdown of sales

Not applicable for Half Year Results.

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable for Half Year Results.

19 CONFIRMATION BY THE BOARD
Pursuant to Rule 705(5) of the Catalist Rules

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements for the half year ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Quek Chek Lan
Chief Executive Officer
14 November 2015

Lim Jit Siew
Director
14 November 2015